



**Testimony of Win Heimer, Executive Vice President
Connecticut Alliance for Retired Americans**

In support of SB249 An Act Promoting Retirement Savings

**Labor and Public Employees Committee
Connecticut General Assembly
Tuesday, March 11, 2014**

Senator Holder-Winfield, Representative Tercyak and members of the Labor and Public Employees Committee. Thank you for this opportunity.

My name is Win Heimer. I am a resident of West Hartford and the executive vice president of the Connecticut Alliance for Retired Americans. The Alliance is the state affiliate of the national Alliance for Retired Americans and comprises 50,000 members in Connecticut. I am also proud to be a member of CSEA SEIU Local 2001 and AFT Connecticut Local 4200R.

I come before you in support of Senate Bill 249 – An Act Promoting Retirement Savings.

The Connecticut Alliance believes that all our residents deserve to live out their retirement years in dignity and in a manner that helps them attain financial security. This bill can help assure that.

According to a recent CNN report, Connecticut retirees face worse conditions for their golden years than retired workers in many other developed countries -- from Canada and the United Kingdom to South Korea. The U.S. has ranked 19th in retirement security for the second year in a row, according to information from Natixis Global Asset Management that ranked 150 countries. European countries took eight of the top 10 spots lifted by strong social programs for seniors. Number 1 Switzerland, for instance, is known for its strong public and private pension system. In contrast, Connecticut workers increasingly have to save for retirement on their own or through workplace 401(k) plans. And here in our state, approximately 740,000 residents are not participating in any employer-provided retirement plan whatsoever.

We in Connecticut can do better. A version of SB 249, An Act Promoting Retirement Savings, was previously introduced by this committee and co-sponsored by Senator Looney during the last session. Let's pass the bill into law this time.

S.B. 249 directs the executive branch to set up a public retirement plan option open to all Connecticut residents and businesses. It's similar to the CHET program but with day-to-day administration falling under an independent board.

With a public option in place, employers and workers can save for retirement with a low-risk plan with very low administrative fees – whether they're in the public or private sector.

This new portable savings plan would be attractive to employees who would see robust rates of return and greater overall savings than many plans currently on the market. Those plans often charge high administrative fees that eat away at potential savings. The retirement savings plan would also be attractive for employers -- small businesses in particular. It would not require the employer to contribute anything or become a fiduciary or take on any liability whatsoever. Businesses with more than 5 employees could choose to offer either this plan – at no cost to them – or another plan.

It's a good deal for workers, a good deal for employers and a good deal for Connecticut. The Connecticut Alliance for Retired Americans urges passage of Senate Bill 249.

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